

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARGET TELECOM, INC.)	
)	
_____)	CASE NO. 95-013
)	
INVESTIGATION INTO THE ALLEGED)	
VIOLATION OF KRS 278.020 AND KRS)	
278.160)	

O R D E R

On July 8, 1994, Target Telecom, Inc. ("Target Telecom") filed with the Kentucky Public Service Commission ("Commission") an application for a Certificate of Public Convenience and Necessity to operate as a reseller of long-distance telecommunications services within the Commonwealth of Kentucky.¹ On August 31, 1994, the Commission ordered Target Telecom to submit additional information. Target Telecom filed its response on September 30, 1994.

In the Commission's request for information, Target Telecom was asked, inter alia, whether or not it or any of its affiliates had ever received compensation for providing intrastate telecommunications services to the public in Kentucky and, if so, to explain in detail. Target Telecom responded that it had received compensation for providing intrastate telecommunications

¹ Case No. 94-261, The Application of Target Telecom, Inc. for a Certificate of Public Convenience and Necessity to Operate as a Switchless Reseller of Long Distance Telecommunications Services Within the Commonwealth of Kentucky.

services in Kentucky as incidental traffic to its provision of interstate services. Target Telecom's response is attached hereto as Appendix A.

Accordingly, the Commission finds a prima facie showing has been made that Target Telecom failed to file with the Commission its application for approval to operate and its schedule of rates and conditions of service prior to collecting compensation for the provision of utility service in violation of KRS 278.020 and KRS 278.160. Therefore, Target Telecom should immediately cease and desist the provision of, or cease charging for, any and all interexchange telecommunications services within the Commonwealth of Kentucky.

IT IS THEREFORE ORDERED THAT:

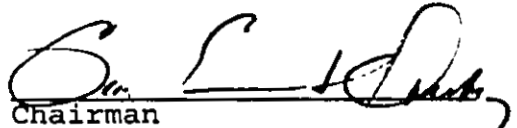
1. Target Telecom shall immediately cease and desist from providing or charging for any and all intrastate telecommunications services within the Commonwealth of Kentucky.

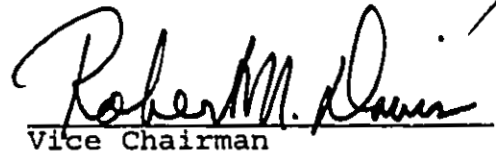
2. Target Telecom shall appear at a hearing scheduled for February 27, 1995, at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, to present evidence on the alleged violation of KRS 278.020 and KRS 278.160, and to show cause why Target Telecom should not be penalized under KRS 278.990 and should not be required to make refunds of compensation collected prior to obtaining a Certificate of Convenience and Necessity and filing its schedule of rates and conditions of service.

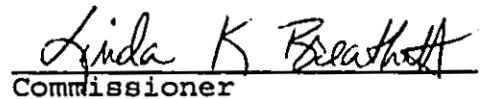
3. Any motion requesting any informal conference with Commission Staff to consider any matter which would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 19th day of January, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

PIERSON & TUTTLE

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 95-013 DATED January 19, 1995

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF TARGET TELECOM, INC. FOR A CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY TO OPERATE AS A
SWITCHLESS RESELLER OF LONG DISTANCE TELECOMMUNICATIONS
SERVICES WITHIN THE COMMONWEALTH OF KENTUCKY

CASE NO: 94-261

RESPONSE TO ORDER FOR INFORMATION

TARGET TELECOM, INC. ("TTI") , by its counsel , hereby submits its responses
to the Commission's Order for Information.

- 1) Has Target Telecom or any of its affiliates ever received compensation for
providing intrastate telecommunications services to the public in Kentucky?

A. TTI has received compensation for providing intrastate telecommunications
services in Kentucky as incidental traffic to its provision of interstate services. TTI does
not offer, nor does it intend to offer without certification from Kentucky, intrastate service.
The intrastate traffic was primarily initiated by casual dialing and T-1 dedicated accounts.
TTI uses WilTel as its underlying carrier. Its network cannot block intrastate traffic
within Kentucky. Accordingly, any intrastate traffic is incidental to TTI's interstate
operation in Kentucky. TTI has no prior knowledge of intrastate traffic and has no method
for blocking these calls. However, once a call is placed TTI incurs substantial costs
including compensating WilTel, paying sales commissions and other expenses.

- 2) Please include time periods and mileage bands or revise the tariff page # 18.

A. TTI respectfully submits Revised Tariff Page 18 which deletes the reference to
"time-of-day banded" from Heading 3.3.6..

- 3) Please include time periods and mileage bands or revise the tariff page # 17.

A. TTI respectfully submits Revised Tariff Page 17 which deletes the reference to
" time-of-day banded" from Heading 3.3.3.

SECTION 3 - DESCRIPTION OF SERVICE (Continued)**3.3 Service Offerings**

Applicable rate schedules for the following services are provided in Section 4 - Rates.

3.3.1 Dial Access Business Service

Dial Access Business Service is a time-of-day banded outbound long distance service. Dial Access Business Service Customers utilize Feature Group D access.

3.3.2 Dial Access Business Service Plus

Dial Access Business Service Plus is a flat-rated (not time-of-day banded) outbound long distance service. Dial Access Business Service Plus Customers utilize Feature Group D access.

3.3.3 Dedicated Access Business Service

Dedicated Access Business Service is a flat-rated (not time-of-day banded) outbound long distance service. Dedicated Access Business Customers utilize dedicated Access Lines to connect the underlying carrier's POP to Customer's premises.

3.3.4 Dial Access 800 Service

Dial Access 800 Service is a flat-rated (not time-of-day banded) inbound long distance service. Dial Access 800 Service calls are terminated over Customer's local telephone lines.

3.3.5 Dedicated Access 800 Service

Dedicated Access 800 Service is a flat-rated (not time-of-day banded) inbound long distance service. Dedicated Access Plus 800 Service calls are terminated over dedicated Access Lines from the underlying carrier's POP to Customer's premises.

Issued: _____

Effective: _____

by:

Orland Chamberlain, Vice President
Target Telecom, Inc.
155 Willowbrook Boulevard
Wayne, NJ 07470

SECTION 3 - DESCRIPTION OF SERVICE (Continued)

3.3 Service Offerings (Continued)

3.3.6 Travel Card Service

Travel Card Service is a flat-rated (not time-of-day banded) outbound long distance service. This service allows Customers to place calls from locations other than their primary service location through the use of 800 number network access and an Authorization Code.

3.4 Dedicated Access Lines

Dedicated Access Lines may be required to connect Customer locations to the POP of an underlying carrier. Such dedicated Access Lines, when required, shall be the sole responsibility of Customer. Notwithstanding such responsibility, Carrier shall, upon Customer's request, order such dedicated Access Lines from the underlying carrier on behalf of Customer, and shall pass-through to Customer without mark-up all related recurring and non-recurring charges.

Issued: _____

Effective: _____

by:

Orland Chamberlain, Vice President
Target Telecom, Inc.
155 Willowbrook Boulevard
Wayne, NJ 07470